REMARKS

Applicant thanks the Examiner for conducting telephonic interviews with Applicant's counsel on April 17 and 24, 2008. During the interview, Applicant's counsel discussed the Office Action mailed on January 15, 2008 ("January 15 Office Action"). In the January 15 Office Action, Claims 1-3, 5-16, and 18-19 under 35 U.S.C. 103(a), as being unpatentable over the combination of Kaminsky, et al. (U.S. Patent Application Publication No. US 2002/0082967) and Lutnick (U.S. Patent No. 6,850,907). During the interviews conducted on April 17 and 24, Applicant's counsel discussed the pending claims and how they are patentably distinct form the combination of Kaminsky and Lutnick. During the interviews, the Examiner stated that another Office Action that would also include rejections based on 35 U.S.C. § 101.

On May 15, 2008, the Examiner mailed another Office Action ("May 15 Office Action") that included the Section 103(a) rejections from the January 15 Office Action and included rejections of Claims 1-3, 5-16, and 18-19 under 35 U.S.C. § 101, as being directed to non-statutory subject matter. On July 14, 2008, Examiner's counsel contacted the Examiner by telephone, and the Examiner confirmed that the May 15 Office Action superseded the January 15 Office Action and that Applicant need only respond to the May 15 Office Action.

This application has been carefully reviewed in light of the May 15 Office Action and the interviews conducted with the Examiner. Claims 1, 6-9, and 16 are pending in the present application. Claims 2, 3, 10-15, 18, and 19 have been currently canceled. Claims 4, 5, and 17 have been previously canceled. New claims 20-26 have been added. Claims 1, 16 and 23 are independent. And claims 1, 6, 7, and 16 are currently amended.

The present invention is directed to systems and methods for trading securities to provide system participants with optimal buy and sell prices by allowing a user who sends a request for quotation (RFQ) to either accept the best response and execute the trade as an agent or improve (and not merely match) the best response and execute the trade as a principal. The information that a user can access using the systems and methods of the invention is dependent upon the type of user (*e.g.*, trader, investment executive, individual customer). And the ability of a user to modify information using the systems and methods of the invention is also dependent upon the type of user.

The systems and methods of the present invention include a price discovery code module for sending RFQs to pre-determined dealers and for receiving/capturing dealer responses to the RFQs. (Specification p. 2, l. 26-29.) The systems and methods allow a user who has sent the RFQ to either accept the best response and execute the trade as an agent or improve the best response and execute the trade as a principal." (*Id.* at p. 2, l. 31 – p. 3, l. 2.) "The price discovery module 34 enables users to send RFQs, select the best price/response and execute a trade. By way of illustration, where trader 40, 46 sends the RFQ, the trader has the capability to accept the best dealer response and execute the trade as a principal. It is not enough for a trader to match a best response. Instead, a trader must improve the best response in order to execute as a principal." (*Id.*, p. 9, l. 3-9.)

Rejections Under 35 U.S.C. § 101

The May 15 Office Action rejected Claims 1-3, 5-16, and 18-19 under 35 U.S.C. § 101 as directed to non-statutory subject matter. The amended claims and new claims presented herein obviate the Section 101 rejections. Independent claims 1, 16, and 23 (and their dependent claims) recite, respectively, a system, method, and computer readable medium having program code recorded thereon. At the Examiner's suggestion, these claims

have been amended and presented to all recite a computer workstation, and therefore fall within statutory subject matter.

Rejections Under 35 U.S.C. § 103

The May 15 Office Action also contains rejections under Section 103, based on the combination of Kaminsky and Lutnick.

Kaminsky is directed to solving a different problem than the present invention. Kaminsky is directed to assessing a market-maker's aggregate risk and automatically modifying a market-maker's quotes when a predetermined risk threshold is exceeded. The claimed invention is directed to obtaining optimal buy and sell prices for individual trades by allowing a user who sends a request for quotation (RFQ) to either accept the best response and execute the trade as an agent or improve the best response and execute the trade as a principal.

The May 15 Office Action concedes that Kaminsky does not disclose, teach, or suggest the price discovery code module recited in claim 1 that enables the computer workstation to send RFQs to at least one predetermined dealer; receive at least one dealer response to the RFQs, and execute a trade as an agent based on a best RFQ response or as a principal by improving the best RFQ response. (May 15 Office Action at 3.)

For the same reasons, Kaminsky does not teach, disclose, or suggest the computer-implemented method recited in Claim 16, which includes the step of executing a trade as an agent based on a best RFQ response or as a principal by improving the best RFQ response. It also does not teach, disclose, or suggest a computer readable medium having program code recorded thereon for execution on a computer workstation for performing a method for trading taxable and non-taxable securities comprising executing a trade as an agent based on

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a best RFQ response or as a principal by improving the best RFQ response as recited in new claim 23.

The May 15 Office Action relies on Lutnick to supply this missing teaching. (May 15 Office Action at 3.) Lutnick is directed to a data processing system for implementing transaction management of auction-based trading for specialized items such as fixed income instruments. There is generic discussion about price improvement trading and accepting sell and buy orders with price improvement in the portions of Lutnick that the Examiner cites in the Office Action (Lutnick, col. 7, l. 50 - col. 8, l. 37; col. 16, l. 40 - col. 18, l. 48), but Lutnick does not disclose, teach, or suggest the price discovery module of the recited claims that enables individual trades to be executed as an agent based on a best RFQ response or as a principal by improving the best RFQ response.
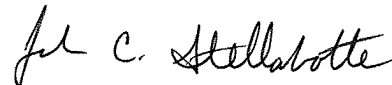
The combination of Kaminsky and Lutnick also does not disclose teach or suggest the features of the dependent claims, including the system proprietor code module recited in claims 6 and 7, the time management system recited in claims 8 and 9. The combination of Kaminsky and Lutnick also does not disclose, teach, or suggest providing access to all of the RFQ response only to selected users (claims 20, 24);providing non-selected users access to the best RFQ response but not all of the RFQ responses (claim 21, 25), or the time limits recited in claims 22 and 26. The May 15 Office Action does not address these features recited in the dependent claims, which are independent reasons why the dependent claims are patentably distinct from the combination of Kaminsky and Lutnick.

CONCLUSION

In light of the foregoing remarks, Applicant respectfully submits that the claims are patentably distinct over the prior art of record, that the application is in proper form for allowance of all claims, and earnestly solicits a notice to that effect.

Respectfully submitted,

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